

certificates of one lire and 50 centimes to take their place. The government in 1868 sought to drive these notes out of circulation by authorizing the issue of notes for one lire by the regular banks of circulation, which were made legal tender for a limited sum throughout the Kingdom. The bank made handsome profits, as usual when specie payments are suspended, made large advances to the government and again increased its capital to 200,000,000 liras under authority of a law of April 9, 1872.*

The policy of the Italian government to introduce unity into every branch of Italian affairs was pursued cautiously in the case of the bank-note circulation and without the hasty abrogation of the rights of the banks, No new bank could be constituted without the authority of a special law, but five banks of circulation conducted business without interference by the side of the National Bank of Italy. The Roman Bank, founded in 1851 with a privilege secured until December 31, 1889, had a capital of 15,000,000 liras and while Rome was independent of the Kingdom of Italy was under the protection in a measure of the Papal power. The National Bank of Tuscany was established in July, 1857, with a capital of 30,000,000 liras and the Tuscan Bank of Credit was established for thirty years in March, 1860, with a capital of 10,000,000 liras, of which only half was paid in. Both these banks were located at Florence. The Bank of Naples was founded as early as 1794 and the capital was contributed in part by the State. It had a head office at Rome and about a dozen branches. The Bank of Sicily was also an old establishment, with its headquarters at Palermo, four principal offices in other parts of Sicily and branches at Rome and elsewhere in Italy. The capital of the Bank of Naples was originally 32,500,000 liras and that of the Bank of Sicily was 8,000,000 liras. The authorized circulation of these banks under the law of 1874 was 450,000,000 liras for the National Bank of Italy ; 45,000,000 liras for the Roman Bank ; 63,000,000 liras for the National Bank of Tuscany ;

¹ Juglar, Article " Banques," in *Didionnaire des Finances*, I., 344.